

["A World Gone Mad"](#)

[Untenable Theories of War](#)

[The Capitalist Cause of War](#)

[1914 War Manifesto](#)

[At the Conscientious Objectors Tribunal](#)

[The Cost of Living Crisis](#)

[What Does Satire Achieve?](#)

[What we Said and When](#)

[Marx, Minsky and Economic Crisis](#)

Socialist Studies No 92, Summer 2014

"A World Gone Mad"

**“A WORLD GONE MAD”: 1914 & THE SOCIALIST
OPPOSITION TO THE FIRST WORLD WAR**

The Socialist Party of Great Britain was quite clear as to its political objective in opposing the First World War:

Our object was not to bid defiance to a world gone mad, but to place on record the fact that in this country the Socialist position was faithfully maintained by Socialists. With this object we placed our backs against the wall and fought. Our platforms were smashed up and our members injured by mobs egged on by bourgeois cowards who, as usual, had not the spunk to do their own fighting for themselves. Not this only: one of our speakers was arrested and imprisoned, while others were dragged before the magistrates and “bound over to keep the peace”. In some instances the proceedings were rounded off by the victims being discharged from their employment by their “good, kind masters” for daring to hold political opinions of their own (SOCIALIST STANDARD, February 1915).

So what was the socialist position? In August, 1914, The Executive Committee of the Socialist Party of Great Britain issued a Manifesto – “THE WAR AND THE SOCIALIST OUTLOOK”

The MANIFESTO was discussed and agreed before being published but the discussion was not at all about the question whether the war should be supported or opposed but about the details of the wording. The party’s attitude to war between capitalist governments did not need to be discussed; it had been decided years before at the formation of the Party. It was implicit in the SPGB’s DECLARATION OF PRINCIPLES which was adopted when the party was formed in 1904 and has remained unchanged since, in particular in Clause 6 which reads:

...the machinery of government including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers...

The MANIFESTO therefore took the form of re-affirming socialist principles including the principle on which rests the socialist attitude to war.

It opened with the declaration:

Whereas the capitalists of Europe have quarrelled over the question of the control of trade routes and the world’s markets, and are endeavouring to exploit the political ignorance and blind passions of the working class of their respective countries in order to induce the said workers to take up arms in what is solely their masters’ quarrel.

Later on it declared that:

...as the workers' interests are not bound up in the struggle for markets wherein their masters may dispose of the wealth they have stolen from them (the workers), but in the struggle to end the system under which they are robbed they are not concerned with the present European struggle...

In the MANIFESTO the Socialist Party of Great Britain restated three socialist principles which are fundamental to the socialist case against capitalism:

- * War is not an accidental interruption of the peaceful operation of capitalism but flows from the competition between nation states over raw resources, trade routes and spheres of influence.

- * The interest of the workers in all parts of the world are identical and they have to stand together against the governments of capitalism

- * The only way to end war is to end capitalism through the conscious and political action of a world-wide socialist majority

So, socialists are not commemorating the start of the First World War; there is nothing to commemorate. Instead we place on record again the fact that despite the hardship faced by members of the Socialist Party of Great Britain at the time: *"The Socialist position was faithfully maintained by Socialists"*.

The socialist position was echoed again in the SPGB pamphlet "THE COMMUNIST MANIFESTO AND THE LAST HUNDRED YEARS", published three years after another World war in 1948.

While the professed Socialist parties of Europe were falling to pieces and revealing the frailty of their claims to represent the real interests of the workers there was only one party that took its stand on the principles of Socialism, and on that ground declared its opposition to the war as a purely Capitalist conflict. This party was the Socialist Party of Great Britain (p.31)

Of course the capitalist cause of the First World War needs to be understood by the working class although no such understanding will be found in the academic history books. Nor will the cause and the socialist solution to war be found in pamphlets from the so-called capitalist Left, like the recent pamphlet, NO GLORY by the historian Neil Faulkner written for the *Stop the War Coalition*. Faulkner is a historian associated with the SWP splinter group "Counterfire" set-up by two of its former leaders, Lindsey Germain and John Rees.

Faulkner's pamphlet is in a long historical but disreputable tradition which totally ignores the principled stand of the Socialist Party of Great Britain at the outbreak of the First World War. In his pamphlet, he writes of *"Imperial Wars"* and not of *"capitalist wars"* nor *"the capitalist cause of war"* which would have included the Russian Civil War from November 1917 to October 1923.

NO GLORY is written from the distorted slant of Leninism, a politics which threw such a dark shadow over the Twentieth Century. The author conveniently ignores the fact that the Bolsheviks gained political power through a *coup d'état* and then imposed a dictatorship *"from the top"* onto the rest of society most of whom were peasants seduced by the rhetoric of *"peace and bread and land"* not revolutionary socialism.

If one section of the capitalist political spectrum ignores the principled socialist stand of the Socialist Party of Great Britain in opposing the First World War then there is a deafening silence elsewhere as the politicians and media all set up stall to proclaim a national commemoration of the outbreak of war in 1914 and the *"victory"* five years later.

The British ruling class began their commemoration of the First World War with a speech by the Prime Minister, David Cameron, at the Imperial War Museum (11th October 2012) and the commemorations are to last five years at a cost of some £11 million despite *"the age of austerity"*. When Cameron gave his speech he did so in front of Paul Nash's painting, The Menin Gate. The painting depicts no road since it has been totally obliterated during the battle of Passchendaele in Flanders where, for the sake of a few kilometres, the British had lost 310,000 men and the

Germans 260,000 among the mud, bomb craters and splintered remains of trees.

Outside the principled stand of the SPGB, what of the other dissenting voices were there against the war? Well there is the poet Siegfried Sassoon who wrote of the Menin memorial gate, later erected to the “*glorious dead*”:

Who will remember, passing through this Gate, The unheroic Dead who fed the guns?

Who shall absolve the foulness of their fate,— Those doomed, conscripted, unvictorious ones? Crudely renewed, the Salient holds its own. Paid are its dim defenders by this pomp; Paid, with a pile of peace-complacent stone, The armies who endured that sullen swamp. Here was the world’s worst wound. And here with pride

‘Their name liveth for ever,’ the Gateway claims. Was ever an immolation so belied As these intolerably nameless names? Well might the Dead who struggled in the slime Rise and deride this sepulchre of crime.

The poem was reproduced in the SOCIALIST STANDARD of September 1964 with Sassoon’s permission. Unlike the SPGB, it took Sassoon three years to come around to repudiate the war in 1917. He wrote: “*I believe that the war upon which I entered as a war of defence and liberation has now become a war of aggression and conquest*” (Peter Smollett “*War resisters also deserve a memorial*”, 9th November 2012, TORONTO STAR). Capitalism’s ruling class and their apologists never forgave Sassoon, first for refusing to fight and second for his poetic mockery of a symbol of the futile dead and the criminals who commissioned it. He will not form part of Cameron’s “*National celebration*” of Britain and its allies “*winning*” the First World War. One web site even went as far to accuse Sassoon of publishing “*anti-war rhetoric*”. And you will be hard-pressed to come across any references in the media to the principled stand of the Socialist Party of Great Britain in opposing the First World War. We are condemned by silence.

Why is there a commemoration for the First World War? Why the fuss? The commemoration has more to do with today’s politics and the need for politicians like Cameron and Miliband to bind the working class to the interests of the capitalist class within the mythical “*nation state*” than it has to recall the millions maimed and killed while fighting for the interest of their respective ruling class.

Politicians want to celebrate a “*shared national identity*” in a world fractured by racial and nationalist rivalries and the commemoration of the First World War gives them this opportunity. We will now have to endure five years of nationalist propaganda as well as the celebrations by the capitalist Left of the Bolshevik seizure of power in 1917. It is enough to make you weep.

There has hardly been a day which has passed which has not seen some conflict taking place in the world. To borrow a remark by the philosopher John Glover: “*It is almost certain that, as you read this sentence, in some places people are being killed and in others people are being tortured*” (HUMANITY: A MORAL HISTORY OF THE 20TH CENTURY).

While historical events are never exactly replicated (“*all History has to be studied afresh*”, wrote Marx), war, like economic crises, is a constant feature of capitalism and will remain a social misery while capitalism lasts. That is not to say that nothing can be done to end war and conflict. It can. But it requires socialists and a socialist Majority taking conscious political action within a principled Socialist Party to end war by ending capitalism.

A WORLD GONE MAD

The end of the war was not celebrated in the Socialist Standard. The errant membership reassembled. Much of the building of the ten years after 1904 had been shattered; members had been lost (Hans Neumann, who had been in Germany when the war began, was never seen again and was later heard to have been killed in the Spartacus Rising); money and offices were gone. More and more, the SPGB felt it stood alone. The four years’ madness had shown the so-called socialists of the world in their true colours: Kautsky, Jack London, the advocates of international brotherhood everywhere had chosen nationalism and militarism in the hour of trial. The ILP in Britain had rejected the war, but its association with the Labour party deprived it of all credit in the eyes of the SPGB. The members who had come through the war were confirmed as never before in the belief that they, and no-one else, held

the truth and menaced the system.

From the MONUMENT: THE STORY OF THE SOCIALIST PARTY OF GREAT BRITAIN, Robert Barltrop, chapter 6 pp 51 to 59, "The World Gone Mad", Pluto Press, 1975. With thanks to Richard Juper for giving us permission to publish the chapter in SOCIALIST STUDIES and on our Web Site

[Back to top](#)

UNTENABLE THEORIES OF THE CAUSE OF THE FIRST WORLD WAR

What caused the First World War? The Socialist argument is that the underlying cause of war is the capitalist system in which we live where the means of production and distribution are owned by a capitalist minority, where the working class is exploited in the production process and where the world is divided into competing nation states. Socialists do not point to a sole event as the cause of war but highlight three interrelated factors which make war under capitalism always possible and sometimes necessary; the protection or appropriation of raw resources and trade routes and the pursuit of spheres of strategic influence all of which derive from competitive international rivalry between nation states.

War, of course has a political dimension but not in the sense found in modern history books. The political dimension is the use by the government of the day (the "*Executive of the bourgeoisie*" as Marx called it), of the machinery of government, including the armed forces, to further the interest of the capitalist class as a whole even though particular capitalists or groups of capitalists might disagree with the policy.

There were capitalists and their political supporters, for example, who opposed both the Crimean War and the First World War but were ignored by the government of the day. Governments have to protect or secure trade routes, ensure raw resources are available for production and for a policy of strategic influence to be formulated, maintained and expanded as necessary even it interrupts the trade of particular sections of the capitalist class.

Those who reject the socialist explanation that the cause of modern war is capitalism and generalised commodity production and exchange for profit, are forced to seek other explanations.

Those fall into four particular categories:

* The innate violence of human nature * economic causes other than capitalist ones * The strength of nationalist or religious feeling * The conflict of opposing political ideas and beliefs and the actions of individuals who can be held to account

War caused by the "*innate violence*" of human nature?

The human nature explanation of modern war is baseless. Of course men and women who live peaceably with each other and show co-operation, humanity and compassion will sometimes support or engage in violence and war. Nevertheless periodic periods of violence and war are not natural and innate features of human beings but are often consequences of the competitive struggle within capitalism. War and violence, despite the assertions of genetic determinists and evolutionary psychologists is not a universal human condition applicable to all social systems.

Given different social circumstances, co-operation and altruism would be the norm. In a future world-wide socialist society set within the framework of the common ownership and democratic control of the means of production and distribution by all of society in which production will take place solely to meet human needs, there would not be international rivalry and competition; violence and war. Socialism will be a social system without artificial national boundaries. There will be no raw resources and trade routes to protect and no spheres of influence requiring military

bases, nor airfields to house jets and bomber planes, nor naval ports to shelter war ships.

However, when it comes to the preparation for war, governments always use misleading or mendacious propaganda to create emotions of hatred, nationalism and jingoism against whoever happens to be “*the enemy*” at the time. Yet, even the propaganda of hate has its difficulty to translate into practice.

The armed forces have to use a process of brutalization to strip away a sense of individuality, compassion and empathy. Recruits have to endure tough, regimental training to break down any resistance to disobey orders with the use of stimuli to condition soldiers to kill instantaneously and drill sergeants to instil violent aggression and discipline. To teach people to kill is very expensive and time consuming as the armed forces know only too well. And it should not be forgotten that it took enforced conscription in 1916 to coerce workers to fight once the original volunteers had been killed or wounded.

War caused by economic factors such as migration and food shortage?

The argument that wars arise from economic but not capitalist causes, rests on the fact that long before capitalism came into being, or in places where capitalism does not exist, food shortage caused migrations and consequent wars, or caused wars among tribes in adjacent areas. But this situation has little bearing on the wars between capitalist governments within the context of national rivalry which is relatively new in human history.

The argument gives no explanation for the 1914 or 1939 wars, any more than it does for the long years of cold war between the US and Russian powers or why Russia is currently poised to enter a war with Ukraine. The countries and alliances involved in the 1914 war were not faced with inability to produce enough. All these countries had for years been increasing their output of all kinds of commodities. Their worry was not over the question of production but over the sale of what they produced; the overriding concern being strategic points of influence like communication systems, ports and the protection of trade routes.

War caused by Nationalist or Religions Reasons?

The belief that modern wars are caused by nationalist or religious differences merely obscures the facts of the rivalry that exists between nation states within capitalism. The error is to see nationalist or racist sentiment in isolation from the capitalist cause. This mistake has been recently aired by Hans Blix, the former United Nations weapons inspector who erroneously believes war is less likely in the future because “*religion and ideology are no longer grounds for wars between states*” (INDEPENDENT ON SUNDAY 16th February 2014).

When war is immanent politicians and the media in rival capitalist countries deliberately exploit nationalist and religious prejudices in order to popularise the war and cover up the real causes. No government would try to sell war to workers saying that it was about protecting oil interests or the fact that a rival country had just started construction on a railway line which threatened adjacent countries which Britain had colonised. Instead meaningless sentiment such as “*With God on my Side*” and “*my country right or wrong*” is evoked by politicians with the additional use of vague abstractions like “*freedom*” and “*democracy*” and “*for King and Country*”.

Nations and national religions are themselves products of capitalism as Louis Boudin showed in his SOCIALISM AND WAR. It was the rise of capitalism in place of the feudalism of the middle ages which necessitated the division of Europe into separate national states.

As Boudin wrote:

Capitalism needed larger economic units for its development. The small groups began to coalesce and amalgamate into larger units which would permit the larger economic life which is the characteristic of the new era (Chapter 3 p.87)

And he went on to say:

Thus arose the modern European nations, each with its own language and separate and distinct social, political and economic life: England, France, Spain, the Scandinavian countries, Russia, Italy and Germany (loc cit p. 88)

The development of the nation State also needed and brought about the separation of the national religious organisations through the Reformation; first in Germany, Switzerland, the Netherlands and then Britain.

To return to Hans Blik; he is one of several politicians associated with the United Nations who hold an idealistic conception of history and conflict. He believes that borders are more or less settled, co-operation between nations rather than conflict is the future and that the imposition of the “*international rule of law*” will keep in check “*national bullies and thugs*”, as he calls them. But in the same breath he admits that \$1.7 trillion is being spent on armaments each year, there are 20,000 nuclear weapons, 200 of them owned by NATO and that there is an increasing conflict between the US and its allies and China and the Pacific. Recently China announced plans for the construction of a military port in Hong Kong, a strategically important island she got back from Britain in 1997 after a 99 lease agreement ended. Russia grabbed the Crimea to ensure the viability of its fleet in the Black Sea.

Boudin’s account of capitalism, war and conflict carries greater weight than the shallow view of the world of Hans Blik and his utopian speculation about the future. One word on Boudin’s book SOCIALISM AND WAR, which was published in 1916 just as the US was about to enter the War. While most of the book is a very good socialist analysis and critique of the capitalist cause of war, Boudin’s final chapter is a disappointment. In SOCIALIST VERSUS BOURGEOIS THEORIES, Boudin develops the fallacious argument that socialists should give support to “*defensive war*”. There is, however, from a socialist perspective, no “*defensive wars*”; only wars between conflicting capitalist countries.

Wars are neither “*just*” nor “*defensive*” but a consequence of capitalism and a world divided into competing nation states. All countries prepare for war; at some periods in history some countries invade other countries, but it does not serve the interest of the working class to support countries being invaded any more than it does for them to give support to the countries doing the invading. The Socialist Party of Great Britain, as early as 1905, had already considered and rejected the theory of “*defensive wars*”.

The Socialist Party of Great Britain stated:

With defensive wars the question becomes somewhat complicated. Is the Britain of the ruling class worth defending by the workers? Has the worker to-day – a wage-slave earning but a bare subsistence wage – anything to fight for? As it is the country is being conquered by the operations of the international capitalist. The British worker is to-day the employee of a limited liability company or of a trust whose shareholders are international, and it is the capitalist class who rule the political machine.

Concluding:

The worker to-day has nothing to fight for. The interests of his masters are not his interests. National prestige is not his prestige, but is used to force from other nations commercial treaties and conditions which in the end prove adverse to him... What the Socialist has to realise clearly is that the interests of his fellow workers in other lands are nearer to his than are those of his master in his own country. The bonds which bind worker with worker, irrespective of nationality, are those of class solidarity... (SOCIALIST STANDARD August 1905)

The theory “*legitimising*” defensive wars was extended throughout the 20th century by the so-called capitalist left to support “*wars of nationalist liberation*”, where any “*enemy of US Imperialism*” was seen as a friend ; be they South American revolutionaries, Pol Pot, the North Vietnamese and so on. This is an utterly dangerous theory which aligns workers with a struggling nationalist ruling class who are trying to obtain and consolidate power for their own ends against an occupying force.

War caused by Despotic Governments and Evil Individuals?

One political belief about the cause of the First World War was German “*militarism*”. However, those taking this moral view of history in blaming one aggressive country and its “*war-like*” nature against passive and peace-loving countries are not supported by the facts.

British propaganda in 1914 made much of German “*militarism*” – this was argued also by leaders of the Labour Party – but halfway through the war conscription, the major feature of “*militarism*” was introduced into this country and, of course, Britain’s European allies all had conscript armies. In fact recent historical analysis has shown that Prussia and its military Junker class were no more or less militaristic than her European rivals (Christopher Clark, *IRON KINGDOM: THE RISE AND DOWNFALL OF PRUSSIA, 1600-1947*, 2006).

Another criticism of Germany was her brutal treatment of populations in her African colonies. However, Britain’s ally, Belgium had an even worse record in Africa. From 1885 to 1908, it is estimated that under Belgium rule, the Congolese native population decreased by about ten million people under King Leopold’s reign through murder, starvation, exhaustion and exposure, disease, and plummeting birth rates (Adam Hochschild, *KING LEOPOLD’S GHOST: A STORY OF GREED, TERROR, AND HEROISM IN COLONIAL AFRICA*, 1998).

And Britain’s own record in her colonies was equally open to charge of militarism and it should not be forgotten that during the Boar War the British used concentration camps and a scorched earth policy against the Boars and their families. The British Empire was not the application of the Lord’s cricket rule book benignly handed-down to grateful subjects wherever the union jack flew. The establishment and maintenance of the British Empire was the result of pillage, plunder, piracy, rape, brutality, war, violence and subjugation.

This has not stopped reactionary historians like Max Hastings, Nial Fergusson and Professor Gary Sheffield, Chair of War studies at the University of Sheffield, to claim the First World War was a “*just*” war started by a “*despotic and evil Germany*” but they are a diminishing school of academics given air-time by the BBC for a sense of liberal “*balance*”. The Socialist Party of Great Britain, though, is never invited by the BBC to put its views for the sake of political balance. In its commemoration of the start of the First World War, the Socialist position on the cause of war was not given an airing by the BBC.

In its on-line magazine programme, the BBC recently indulged the conservative view of history by canvassing “*ten leading historians*” and asking them who they thought was to blame for the First World War (12th February 2014). The permutations were endless. The blame game of finding someone responsible for the start of the First World War was followed later in a BBC4 programme *THE GREAT WAR OF WORDS*, presented by Michael Portillo, which looked at those “*responsible*” for the outbreak of the war in 1914, be they politicians, dictators, Royalty, generals and assassins. No alternative socialist explanation for the war was given.

Most contemporary historians reject as facile the conservative conception of history with its cloying morality of individual free-will, responsibility and blame. Instead historians, in the main, look at a cluster of factors to ascertain why war took place in 1914, ranging from international relations, imperialism, domestic politics, economic factors and specific events. However, these factors have explanatory power only if they are set within the context of a social system in which they take place. And this is precisely what academic historians do not do, even those claiming to be “*Marxist*”.

What socialists say and write about the events which take place within capitalism take their cue from the invaluable insights provided by Marx and his theory of history, known more popularly as the materialist conception of history. Marx made two important points about history; they are about five years apart and are both pertinent to today’s lecture.

In 1847 Marx remarked that that:

History does nothing; it does not possess immense riches, it does not fight battles. It is men, real, living, who do all this.... It is not "history" which uses men as a means of achieving—as if it were an individual person—its own ends. History is nothing but the activity of men in pursuit of their ends (POVERTY OF PHILOSOPHY)

While five years later, in 1852, he added the following important qualification:

Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living (THE 18TH BRUMAIRE OF LOUIS BONAPARTE).

And the current circumstances in which men and women make history, how a minority comes to possess immense riches and why nation states fight their battles is within the framework of capitalism with all its exploitation, conflict and violence. So, to understand why the First World War took place at all we have to begin with the historical setting of capitalism as a social system set in motion by the dynamic of the class struggle, the formation of nation states and international rivalry over raw resources like oil, trade routes and spheres of strategic influence and of course the contradictions acting on capitalist production and distribution whose conscious and political resolution by a socialist majority will allow a revolutionary transformation of society from one social system into another.

RED FEAST

Go fight you fools, tear up the earth with strife, And spill each other's guts upon the field. Serve unto death the men you served in life, So that their great dominions may not yield.

Stand by the flag the lie that still allures, Lay down your lives for lands you do not own, And give unto a war that is not yours Its gory tithe of mangled flesh and bone.

But whether in the fray you fall or kill It is not yours to question why or where. You see those tiny crosses on yon hill? It took all those to make one millionaire.

It was for him the seas of blood were shed, That fields were razed and cities lit the sky, That he might come to chortle o'er the dead – The condor Thing for whom the millions die!

The bugle screams, the cannons cease to roar. "Enough! Enough! God give us peace again." The rats, the maggots and the lords of war Are fat to bursting from their meal of men.

So stagger back, you stupid dupes who've "won", Back to your stricken towns to toil anew, For there your dismal tasks are still undone And grim Starvation gropes again for you.

What matters now your flag, your race, the skill Of scattered legions – what has been the gain? Once more beneath the lash you must distil Your lives to glut a glory wrought of pain.

In peace they starve you to your loathsome toil, In war they drive you to the teeth of death: And, when your life-blood soaks into the soil, They give you lies to choke your dying breath.

So they will smite your blind eyes until you see, And lash your naked backs until you know That wasted blood can never set you free From fettered thralldom to the common foe.

Then you will find that "nation" is a name And boundaries are things that don't exist: That Labour's bondage, world-wide, is the same, And ONE the enemy it must resist.

Ralph Chaplin, 1914

[Back to top](#)

THE CAPITALIST CAUSE OF THE FIRST WORLD

WAR

The early 19th century began with an optimism of an almost religious belief in free trade and free markets dominated by British capitalism. As one Manchester School Liberal, Dr Browning, commented “*Free trade is Jesus Christ: Jesus Christ is Free trade*” (Marx, ON THE QUESTION OF FREE TRADE, 1848).

From the 1850's capitalism developed rapidly both in the United States and in Europe. This notable achievement by the capitalist class was commented on by Marx and Engels in THE COMMUNIST MANIFESTO:

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than all preceding generations together. Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground - what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour (COMMUNIST MANIFESTO - AND THE LAST 100 YEARS, Socialist Party of Great Britain pamphlet pp. 64-64).

In Britain, the development of capitalism was more marked than in other countries. The economist, E. K. Hunt wrote that as a free trade nation Britain increased her capital goods over this period from 11 percent to 22 per cent and exports of coal, iron and steel also sharply rose in tonnage. And he continued:

Between 1830 and 1850, England experienced a railroad-building boom in which some 6000 miles of railroad were constructed...between 1850 and 1880, the production of pig iron increased from 2.25,000 to 7,750,000 tons per year; steel production went up...coal increased...The capital goods industries also prospered...Production of machines, ships, chemicals and other important capital goods employed twice as many men in 1881 as in 1851” (PROPERTY AND PROPHETS E. K. Hunt p89-90)

The period from the mid-1840's to 1873 (the year that marked the beginning of the Long Depression in the United States and Europe) has been called by the economist, Dudley Dillard “*the golden age*” of competitive free trade capitalism (ECONOMIC DEVELOPMENT OF THE NORTH ATLANTIC COMMUNITY 1967 p. 363).

Of course, it was no “*golden age*” for the working class, where women were forced down the mines and children made up a large composition of the workforce in the mills. The average life span of the working class actually fell between 1821 and 1851: in 1821, 37 per cent died by the age 19, and 70 per cent by age 44; in 1851, 46 per cent by age 19, 78 per cent by age 44 (Eric Hobsbawm, INDUSTRY AND EMPIRE, 1968, page 277). The gold from the “*golden age*” came from the exploitation of the working class forced to produce more social wealth than they received in wages and salaries.

Increasing international rivalry between nation states took place in the second half of the 19th century where the optimism of capitalism and free trade for many emerging capitalist countries gave way to an economic retrenchment associated with protectionism and tariffs. In the late 19th century while Britain still maintained a policy of free trade her main competitors adopted tariff barriers. As early as the 1870's the newspapers were claiming that Britain's industrial supremacy was a thing of the past (see J. E. Tyler, THE STRUGGLE FOR IMPERIAL UNITY, 1868-95 1938 p. 12).

And in a footnote to CAPITAL Volume 3, Engels was to write:

...protective tariffs are nothing but preparations for the ultimate general industrial war, which shall decide who has supremacy on the world-market. Thus every factor, which works against a repetition of the old crises, carries within it the germ of a far more powerful future crisis (477-8n).

Many British capitalists used the existence of cheap imports like meat and wheat to keep wages down. Not all employers agreed. The exporters increasingly wanted tariffs to be placed on cheap imports from foreign competitors. The threat from foreign competition, particularly Germany, led to calls for “*fair trade*” and “*protectionism*” with the

publication of pamphlets like “*Made in Germany*” by E. Williams.

Williams wrote:

In all our industries you find a steady slowing-down...it is Germany who is in for the “marvellous progress” now. England made hers when and because she had command of the world’s markets (1886 p. 5)

Other pamphlets were more sinister. One pamphlet entitled “Germanian esse delendam” was published by *The Saturday Review* in 1897 at the end of the Long Depression. The author, who knew his Classics, drew on the writings of the Roman senator, Cato the Elder who, during Rome’s Punic Wars with Carthage, had demanded after every debate in the Senate: “*In my opinion Cathage must be destroyed*” (*Ceterum censeo Catharage esse delendam*).

This is what the un-named author wrote:

Is there a mine to exploit, a railway to build, a native to convert from bread-fruit to tinned meat, from temperature to trade gin, the German and the Englishman are struggling to be first. A million petty disputes build up the greatest cause of war the world has ever seen, If Germany were extinguished tomorrow, the day after tomorrow there is not an Englishman in the world who would not be richer. Nations have fought for years over a city or a right of succession; must they not fight for two hundred and fifty million pounds sterling of yearly commerce (quoted from R. J. S. Hoffman, GREAT BRITAIN AND THE GERMAN TRADE RIVALRY, 1875-1914, 1933, p. 281).

The destruction by the Romans of the City of Carthage led to 145,000 deaths with 50,000 men, women and children sold into slavery (BLOOD AND SOIL: A WORLD HISTORY OF GENOCIDE AND EXTERMINATION FROM SPARTA TO DARFUR, B. Kiernan p. 49 2002). By the end of the First World War, some seventeen years after *The Saturday Review* article was written, there were 37 million dead across the battlefields of Europe.

Not that the cause of war is the result of the competitive struggle by capitalists for foreign markets. Those who believe this to be true, the economist Maynard Keynes (GENERAL THEORY, 1936) being one, confuse the needs of the individual capitalist with the interests of the nation state. They are not the same. Keynes believed that the competitive struggle for foreign markets was the cause for world conflict. He thought that if government economic policy ensured full employment and thereby increase spending power of consumers then capitalists would concentrate in meeting this demand rather than try to conquer foreign markets.

It is true that if it had been left to capitalists as profit seekers, Britain would not have entered the First World War, but it is not individual capitalists who go to war but nation states on behalf of the capitalist class as a whole. And when have governments been able to create conditions of sustained full employment?

There is the contrary belief, equally spurious, held by some economists and philosophers that increased free trade will abolish war. From, Adam Smith (WEALTH OF NATIONS, 1776), Immanuel Kant (THE PERPETUAL PEACE, 1795) and Cobden and Bright (leaders of the Anti-Corn Law League) of the late 18th and early 19th century to the market anarchists obsessed with prices and supply and demand curves found in today’s policy institutes encircling Washington and Whitehall, there is a belief that more and more capitalism will lead to less and less conflict and war. And they lecture socialists for being utopian!

These supporters of the utopian benefits of free trade believe that “*globalisation*” will diminish the political importance of the nation state and give, instead, an over-blown weight of importance to the power of large scale multi-national corporations and financial institutions. In fact, one economic clown, a Euro Bond Trader, claimed in 2008 that Goldman and Sachs was more powerful than any one nation state, while it’s CEO, Lloyd Blankfein, thought he was “*doing God’s work on Earth*”.

In fact “*globalisation*” has thrown up increasing tensions between the US and Japan on the one side and China on the other, with a new scramble for Africa taking place now, in the 21st century; a scramble for resources and spheres of influence just as competitive and violent as the 19th century imperialism which contributed to the First World War.

The error made by the more radical supporters of Free trade is to believe that the tortoise can exist without its shell,

that you can have capitalism without the State. A capitalist class has to have a state and armed forces to protect or further its interests even if that means war, losses for individual capitalists and for the capitalist class as a whole who have to end up paying for it. Capitalism without the capitalist state is as utopian as to believe a country can meet all its own needs without trading with other capitalist countries, i.e. autarky.

Of course the capitalist class would like nothing more than capitalism without war. The First World War, for example, cost the capitalist class some \$186.3 billion; in which millions of workers were lost to conscription thereby cutting off a pool of labour to exploit. The capitalist class had to pay for the war through taxation which came out of their profits and had their trade disrupted for five years. On the face of it the capitalist class had no interest in war (except those making armaments) but war, like economic crises, is a consequence of capitalism. The fallacies associated with both Free Trade and Protectionist theories for preventing war were dealt with in some detail in the SPGB’s pamphlet THE SOCIALIST PARTY AND WAR published in 1950.

Governments have to frame foreign policy in terms of the needs of British capitalism as a whole not individual capitalists and this means constantly preparing for war. Most wars in capitalism have been about countries trying to get control of resources and to protect strategic frontiers not trade. Individual acts of trade cannot overcome obstacles like the collective capitalist need for raw materials, protection of trade routes and strategic expansion through land acquisition, the laying down of communication systems like railways and road systems and deployment throughout the world of armed force to protect oil installations and the movement of oil and gas supplies.

And there is also a mistaken view held by proponents of the European Union that free trade and free markets within an EU super-state will prevent war ever taking place within Europe again. These supporters of an EU super-state argue that the EU’s dissolution would make war in Europe more probable – an accusation recently thrown by them at UKIP and similar political parties who want their respective countries to withdraw from the EU.

Would not an EU super state have a need for armies, warships and weapons to protect its strategic interests around the world even if it were to overcome the current political conflicts of its respective nation States? In fact the answer is yes, On 20th February 2009 the European Parliament voted “yes” to create "*SAFE*" (Synchronised Armed Forces Europe) as a first step towards a true European military force. As for the United Nations; they have not been able to prevent war.

In fact the United Nations was instrumental in the outbreak of the Korean War of 1950 to 1953. The UN has been unable to prevent subsequent conflicts and the organisation is controlled by the conflicting geo-political interests of Russia, China, France, the US and the UK who are all permanent members of the supreme Council.

Nor did the First World War occur like a shot out of the blue as some historians have claimed. An article in the Socialist Standard in September, 1914 showed that for years before the outbreak of war, the British and French Governments had been building up their forces and arranging for the disposition of their navies to meet the counter preparations of the German government.

By 1913, most of the countries of Europe had at least doubled their spending in the military from 1890, and the army sizes had rapidly increased in size. The chart below provides details for each of the five main countries:

Country	Spending Increase	Military Size
Britain	117%	430,000
France	92%	970,000
Russia	19%	1,500,000

Germany	158%	760,000
Austria-Hungary	160%	480,000

(<http://worldwarcauses.wikidot.com/warone:military>)

The origins of the First World War lay in the fact that the nineteenth century industrial military and navel predominance of British and French capitalism was being challenged by the rapid expansion of Germany. Germany's Navy laws of 1898 and 1900 foreshadowed an intensifying navel arms race. Competition for colonies and the desire to protect existing territories had in the 1890's led Britain to the verge of war with France and Germany. As German industry grew, German production and exports were catching up and the German navy had grown to a size and striking power comparable with the British (see THE EDWARDIAN CRISIS, BRITAIN 1901 – 1914, D. Powell, 1996 p. 2)

After the German annexation of the French provinces of Alsace and Lorraine in 1871, the way was open for the link-up of Lorraine ore with Westphalian coal, and Germany's pig-iron production soon increased considerably. In 1870 –74 it was 1,800,000 tons a year against Britain's 6,400,000, but in 1908 German production was far ahead. The same was true of steel and the German mercantile shipping fleet was being rapidly expanded (see GERMAN ECONOMY DURING THE 19TH CENTURY, T. Pierekemper and R. Tilley, 2004).

A warning had been given by the Royal Commission on the Depression of Trade in its Report as early as 1886 about German competition in world markets:

A reference to the reports from abroad will show that in every quarter of the world the perseverance and enterprise of the Germans are making themselves felt. In actual production of commodities we have now few, if any, advantages over them, and in a knowledge of the markets of the world, a desire to accommodate themselves to local tastes or idiosyncrasies, a determination to obtain a footing wherever they can and a tenacity in maintaining it, they appear to be gaining ground upon us.

(Quoted from THE ECONOMIC CAUSE OF WAR, The Socialist Party of Great Britain, August 1964)

An area of acute conflict was in the colonisation of many parts of the world. Britain and France, along with Belgium, had long established colonies; Britain in India and Asia, and all three countries in Africa. Germany came later on the scene and began to expand in Africa threatening the interests of other imperialist countries who had taken the more profitable areas of the continent. At the same time Germany and Britain were engaged in an arms race particularly in the production of destroyers. In 1911 Germany sent a gunboat to the Moroccan port of Agadir to get a foothold in the region in response to French interests. As a consequence, Lloyd George, Chancellor of the Exchequer, reacted with a speech at the Mansion House on the 21st July threatening war. He said:

If Britain is treated badly where her interests are vitally affected, as if she is of no account in the cabinet of nations, then I say emphatically that peace at that price would be a humiliation intolerable for a great country like ours to endure http://en.wikipedia.org/wiki/Agadir_Crisis

This incident had the effect of bringing French and British capitalism nearer together in mutual self-protection. Already both countries had previously signed the so-called *entente-cordiale* as early as 1904. The crisis led to Britain and France making a naval agreement where the Royal Navy promised to protect the northern coast of France from German attack, while France concentrated her fleet in the western Mediterranean and agreed to protect British interests there. France was therefore able to protect her lines of communications with her North African colonies, and Britain to concentrate more naval force around her coast-line to oppose the German High Seas Fleet http://en.wikipedia.org/wiki/Agadir_Crisis

As an example of the strategic policies pursued by governments in the escalation of the conflict was the German plan for a Berlin to Bagdad railway which construction in 1903 and was to end at a port in the Persian Gulf, a response to the British scheme of the Cape to Cairo line. The German plan involved ending Russian influence in the Balkans, cutting Russia off from the Mediterranean by control of the Dardanelles, and opening up a way for Germany to expand towards the Persian Gulf and India. A commentator at the time, Professor Morris Jastrow, Jr. wrote of the strategic and military importance for Germany of the Bagdad Railway and why it caused so much anxiety in Whitehall.

He said:

It was felt in England that if, as Napoleon is said to have remarked, "Antwerp in the hands of a great continental power was a pistol levelled at the English coast", Baghdad and the Persian Gulf in the hands of Germany (or any other strong power) would be a 42-centimetre gun pointed at India (THE WAR AND THE BAGDAD RAILWAY: THE STORY OF ASIA MINOR AND ITS RELATION TO THE PRESENT CONFLICT, second impression, 1918)

The 1914 war, then, did not start overnight through an assassin's bullets; it was the outcome of years of conflicting capitalist interests and international rivalry. The First World War was not a miscalculation, nor an accident waiting to happen, nor the machinations of evil Germans, nor innate aggression of human beings, but the consequences of capitalism and international rivalry between nation states over raw resources, trade routes and spheres of strategic importance.

War cannot solve the problems facing the working class. War sets one section of the working class against another and undercuts class solidarity ; the formation of a common class interest necessary for the establishment of socialism. As Marx noted, workers have no country and the consequence of nationalism and patriotism leads only to cemeteries of Portland stone headstones and memorials to "*the glorious dead*"; ironically the stone of choice for the civic and domestic architecture of the ruling class. Instead of becoming capitalism's gravediggers, non-socialist workers, killing and being killed in capitalism's wars, merely give work to the undertaker and the stone mason.

And there is a very good reason why workers should have no interest in capitalism's wars. Workers have no trade routes to protect, no raw resources to squabble over and no spheres of influence to pursue. In not owning the means of production and distribution, the working class have no national interest only the class interest to join together into a principled Socialist Party to consciously and politically replace capitalism with socialism.

[Back to top](#)

THE WAR AND THE SOCIALIST POSITION

Whereas the capitalists of Europe have quarrelled over the question of the control of trade routes and the world's markets, and are endeavouring to exploit the political ignorance and blind passions of the working class of their respective countries in order to induce the said workers to take up arms in what is solely their master's quarrel and

Whereas further, the pseudo-Socialists and labour "*leaders*" of this country, in common with their fellows on the Continent, have again betrayed the working class position, either through their ignorance of it, their cowardice or worse, and are assisting the master class in utilising this thieves' quarrel to confuse the minds of the workers and turn their attention from the Class Struggle

THE SOCIALIST PARTY of Great Britain seizes the opportunity to re-affirming the Socialist position, which is as follows:

That Society as at present constituted is based upon the ownership of the means of living by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

That in Society, therefore, there is an antagonism of interests, manifesting itself as a **CLASS WAR**, between those who possess but do not produce and those who produce but do not possess.

That the machinery of government, including the armed forces of the nation, exist only to conserve the monopoly by the capitalist class of the wealth taken from the workers.

These armed forces, therefore, will only be set in motion to further the interests of the class who control them – the master class – and as the workers’ interests are not bound up in the struggle for markets wherein their masters may dispose of the wealth they have stolen from them (the workers), but in the struggle to end the system under which they are robbed, they are not concerned with the present European struggle, which is already known as the **"BUSINESS"** war, for it is their masters’ interests which are involved and not their own.

THE SOCIALIST PARTY of Great Britain, pledges itself to keep the issue clear by expounding the **CLASS STRUGGLE**, and whilst placing on record its abhorrence of the latest manifestation of the callous, sordid, and mercenary nature of the international capitalist class, and declaring no interests are at stake justifying the shedding of a single drop of working class blood, enters its emphatic protest against the brutal and bloody butchery of our brothers of this and other lands who are being used as food for cannon abroad while suffering and starvation are the lot of their fellows at home. Having no quarrel with the working class of any country, we extend to our fellow workers of all lands the expression of our goodwill and Socialist fraternity, and pledge ourselves to work for the overthrow of capitalism and the triumph of Socialism.

THE WORLD FOR THE WORKERS

August 25th 1914

The Executive Committee

Wage Workers of the world Unite! You have nothing to lose but your chains; you have a world to win - Marx

Printed and Published by THE SOCIALIST PARTY of Great Britain, 193 Grays Inn Road, London, WC

POSTCSCRIPT

*The text is taken from the original leaflet, **THE WAR AND THE SOCIALIST POSITION**, produced and printed by The Socialist Party of Great Britain. The leaflet was published for distribution to the working class until being prevented from being circulated at meetings by the capitalist State on the spurious grounds that it was considered “likely to cause disaffection to His Majesty or to interfere with the success of His Majesty’s forces by land or sea etc.” with the imposition of The Defence of the Realm Regulations enacted in November 1914. The original MANIFESTO drawn-up by the Executive Committee of the SPGB on August 25th, 1914, was later published on the front page of September’s SOCIALIST STANDARD. The MANIFESTO was later re-issued in September 1939 at the outbreak of the Second War, and in subsequent wars since, including those of Afghanistan and Iraq during the Labour Government under the premiership of Tony Blair.*

The position of The Socialist Party of Great Britain at the start of the war was “not to bid defiance to a world gone mad”, but to place on record the fact that in this country the Socialist position was faithfully maintained by Socialists” (SOCIALIST STANDARD, January 1915). The end of the war was not celebrated in the SOCIALIST STANDARD. The 1914 MANIFESTO, though, demonstrated the SPGB’s sound opposition to capitalism’s wars on the basis of the class struggle and the interest of the working class to consciously and politically replace capitalism with Socialism and has been adhered to by Socialists again and again throughout the 20th century and on into the 21st century as capitalism’s wars continued to inflict death and destruction from one decade to the next.

AT THE CONSCIENTIOUS OBJECTORS TRIBUNAL

A DIVINE COMEDY OF THE WATFORD TRIBUNAL

Dramatis Personae

Lord Clarendon.....Chairman
Mister Hudson.....Clerk to the Council
Mister Longley.....Draper
Mister Clarke.....House Builder
Mr Solomons.....Photographer
Mister Gorle.....Solicitor, Conscriptionist, Labour Leader and acquainted with the King of the Belgians
Crowd of N.C.F. men, Comrades, Constables and Attendants

The Bushey and Watford comrades did in the month of March appear before the local Tribunal with the now familiar result.

The chairman was the Lord and the Military Representative, symbolically enough, was on the left hand of the Lord. A Draper sat next to a House Builder and a solicitor next to a Professional Photographer.

To the right of the Lord's chosen people were portraits of two old-time councillors done by a Bushey painter, who when he has no commission from local legislators, will condescend to paint angels for church windows. These pictures were as interesting to artists as pathology is to humanitarians. No cantankerous sentiment could be detected on their placid faces for when the local man took up his brushes there was no European War and all the Conscientious Objectors had been robbed of their telescopes and books and burned and decapitated many centuries ago.

But I must not digress now for I am come to the point when the Lord spoke. I had arrogantly suggested in my appeal paper that what was valuable and precious in Art and Science and Literature had emanated from intellectual research and that militarism either supported or created all those things hostile to a free and secure existence. Before I came to these chosen Masters I had suggested intellectual progress and military pursuits are antagonistic. Then when the Lord asked me if I were a Quaker I saw that my policy and sentiments still remained misunderstood, so I rose to explain that I had accepted the communistic principles of Karl Marx and consequently believed that the world could not progress towards a beautiful ideal of society or a scientific one until all nations federated on an amiable basis. But while these words were yet unspoken the Solicitor, with prophetic acumen and godly insight, denounced them as "Propaganda", while the Chairman said he was there to "elicit facts and not listen to speeches". This last indiscreet sentence must now pass as ignorance. This is the more lamentable as had it read "elicit facts and not listen to evidence". It would have passed with the public not as bias and illiteracy, but as a decisive, rich, and becoming paradox. I had further evidence to show that the literature of Greece had done more for humanity than the wars of Greece; that Van Tromp, with all his magnificence, did not do so much for Holland as Rembrandt and Descartes; the Spaniards' best day was not when the Armada was loosened, but when Velasquez took up his palette. The lord waved me down. How could I rise from my insignificance I only had on my side the lessons of ancient decapitated scientists and charcoal heretics while the Tribunal were greatly inspired and strengthened by the methods of Torquemada. Their actions taught me that the man with estates was in the place of Democracy; the Camera Man in the place of the Artist; the attorney in the place of the Economist and the Draper of Bodies in the place of humanitarians. Before the Tribunal the appellant with artistic ideas was dismissed, the man with rheumatism postponed, and the wine merchant exempt from military service. Then after having stopped me speaking in my own defence one of them had the temerity to ask if I objected to bloodshed.

Our Comrade Russ sat next before the Tribunal and his case was dealt with the same clean and aristocratic spirit.

They “*elicited*” genealogical facts about his grandmother and partly forgotten brothers; details that are most valuable to any analysis of scientific ideals or the individual conscience. But while on the side of lineage, the examination was most wise and thorough, there are three small points to which the Tribunal were inexcusably indifferent. I admit that a consideration of the forgotten details would in no way have altered the result of the trial, for in all cases the conduct and decision of the Tribunal showed great forethought and preparation. In no instance can I remember a hasty and spontaneous injustice being done to the appellant, for the Socialists were only dismissed after careful consultation with the versatile Labour Leader, while the Religionists were dismissed only after the Chairman’s chat with the Christian member. The first of these three unconsidered trifles in Russ’s case was that he wore a black scarf of crepe-de-chine, which should have been noted by at least one member of the Tribunal for its photographic possibilities; the second, that sometimes in the summer he slept in the open at night, which should have been elicited and condemned by the Builder; the third, that as a Socialist he would not fight in a capitalist war, which should have been considered by all, as in this assertion, all were alike equally implicated and condemned.

When our Comrade Hudson sat next in the chair the modern God filled his pipe and the clerk read the appeal. It was a reiteration of the communists’ ideal of Wealth Production. The Lord asked what denomination he belonged to. Now with myself, as I have a pale face, there was some pertinence in the Quaker question, but with Hudson it is different. He is not sickly or peevish; there is not a trace of suffering on his face. It would have been more relevant to have asked the noble Lord if he was the only support his wife had or ask a poet if he sold matches. Our comrade replied that he was an atheist. The Christian Draper sniffed. A man here who would not submit to Kitchener and denied the authority – “*You are one of them who resent all kind of control then, eh?*” he said. “*Not all control,*” our comrade replied, “*only such as you have.*” The Chairman was indignant to hear a youthful idealist give such a retort to a shopkeeper who sold the best linen within the farthing of a shilling in the town; to a man who has distributed more bibles and advertisements and subscribed to more church organs in a year than the applicant would do in fifty years. In these days of heresy and commerce one can forgive a taunt to God, pass over a slight to Kitchener, but what Chairman of what tribunal can pass over and Internationalist’s insult to a homely employer. He cautioned our comrade and later dismissed the case.

The next judgement was to be upon our comrade Wilkins. He, too was an Internationalist. Had the first been the only one of the day the idea could have been discredited and regarded as isolated Quixotism and futile faith. The poor bewildered master of the show moreover learned that this Socialist was a Monist. “What is a Monist?” Alas! My Lord, you have given Oxford over to ignominy; the hallowed pile is desecrated. In the past, we are told, much havoc and damage was done with the Jawbone of an ass, but it was infinitesimal compared with that done to the grey and hoary university with the jawbone of our Tribunal Lord. Alas! Poor Chairman, you came, you told me, to “*elicit facts*”, but you remain to complete your education. Although Comrade Wilkins explained on his appeal paper that he could more effectively assassinate Rothschild with a new ideal or a new economic law than with an old hatchet – although unlike an Indian God he did not wear a necklace of human bones or a girdle of human skulls, they still enquired whether he was prepared to take life. He replied that he did not believe in the sacredness of the individual existence, only in the sacredness of humanity, and would therefore help to establish *Socialism by the ballot if possible but by force if force was essential*. “We dismiss your case, Mister Wilkins.” As the lordly judge spoke his loyal mouth pennies to the Escutcheon: “*You may appeal to the County Tribunal,*” he said. “*To the County Press Gang,*” our comrade retorted with such truth and emphasis that it became quite inaudible to the Newspaper Correspondent.

There was a long hush. The last of the pearls had been cast before the Tribunal.

The Draper demanded that the room should be cleared of the public. This was assented to by the Labour Leader and endorsed by the Lord.

No one moved.

Then in this Earthly Paradise the Provincial God’s still, small voice with a slight Oxford accent, said, “Let there be police,” and there were police. But this latter day Lord’s behests are not so instantaneously obeyed as formerly, for his wand is only a telephone and his angels wear thick-soled boots.

So there was still time for further heresy and the “*Red Flag*” was sung, and just as it ended the Constable entered the

room and faced the perplexed Tribunal and those pigment Councillors on the walls, whose pensive eyes are fixed on the distant Utopian Watford when each of the ten thousand inhabitants was docile and diligent and none had dreamed of Marxian Economics.

(Reprinted from the SOCIALIST STANDARD, May, 1916)

[Back to top](#)

THE COST OF LIVING SQUEEZE, TRADE UNIONS & THE CLASS STRUGGLE

The Labour Party has made much of the so-called “*cost of living squeeze*” where inflation, until recently, has been increasing at a faster rate than wages and salaries. Labour believed the problem of the cost of living faced by workers was an electoral vote winner against the Tories until figures were released by the Office for National statistics (ONS) in April of this year showed inflation falling to 1.6 per cent and the unemployment rate dropping from 7.4 to 6.9 per cent. Real wages also increased by 1.7 per cent in the three months to February. The Conservatives now believe that they have the electoral advantage with rising employment, rising wages and lower inflation leading, they hope, to grateful workers voting them into power at the next General Election in May 2015.

The rise in pay used by the Tories to justify their “*success*” should be taken with a great deal of caution. The real wage increase of 1.75 per cent also included end-of-year bonuses, which distorts the figures somewhat. For example, in March 2014, 91,000 Waitrose and John Lewis employees received a “bonus” equivalent of 15 percent of their wages as did workers at JCB, the plant hire company owned by the Bamford family (at the height of the depression employers at JCB agreed to take wage cuts and “*long unpaid holidays*”).

The use of “*bonuses*” to boost earnings of employers begs the question why statisticians add-in the “*salary*” of the owners of a business of Partners, Directors and Chief executives when in reality they are, to all intents and purposes, profits? Lord Bamford, whose family owns JCB, has a fortune of £3.1bn, yet besides a flow of unearned income from his investments he also draws a chairman’s “*salary*” and most probably gets a “bonus” too. Unlike the workers at JCB, Bamford also dines with Mr Cameron and helps bankroll the Tory Party. The statistical anomalies of wage increases led Ben Chu in the INDEPENDENT to retell an old tale;

Four morose men are drinking in a pub when Bill Gates walks in. “Cheer up lads”, exclaims one of the men. “The average wealth of the five of us has just gone through the roof (So real pay is rising for the first time in years? 17th April 2014)

Workers do worry about their wages and salaries, about keeping their jobs and about the cost of living. For over a hundred years this fear has been reflected in trade unions and others, occupying themselves with the statistical problems of measuring movements of wages and movement of prices. The result has not been of much use for the working class but it has been to governments and employers who both have a vested interest in the use of wage and price indexes for their own political end in the economic struggle against the working class.

The reason why trade unions became interested in wage and price statistics came about when they wanted more ammunition in their struggle to get better wages for their members than just relying on going out on strike. Trade unions presumed employers were reasonable people and would, if presented with the facts, increase wages and salaries if the cost of living was rising. Unfortunately for the trade unions, the employers were not reasonable but self-interested profit maximisers and such arguments about the cost of living rising were dismissed.

Matters were made worse for the trade unions when this indifference by employers let in the social reformers who now agitated for government legislation; first for a minimum wage and now for a “*living wage*”. These reformers were a mixture of philanthropists like the Joseph Rowntree Trust and opportunistic Labour supporters who saw in the enactment of a minimum wage and, more recently, living wage legislation, as a means to get votes from non-

socialist workers.

Not that all employers were opposed to minimum wage legislation just as some of the large corporations today have shown support for a “*living wage*”. And it should not be forgotten that the first minimum wage legislation was passed in 1909 by Winston Churchill, then a Liberal. Churchill, no friend of the trade unions and working class, said:

It is a national evil that any class of Her Majesty's subjects should receive less than a living wage in return for their utmost exertions... where you have what we call sweated trades, you have no organisation, no parity of bargaining, the good employer is undercut by the bad and the bad by the worst; the worker, whose whole livelihood depends upon the industry, is undersold by the worker who only takes up the trade as a second string... where these conditions prevail you have not a condition of progress, but a condition of progressive degeneration.

The Trade Boards of 1909 created four Trades Boards that set minimum wages which varied between industries for a number of sectors where “*sweating*” was generally regarded as a problem and where collective bargaining was not well established. But the employers and the government were not thereby committing themselves to the principle that all workers were to be guaranteed a job at a reasonable standard of living and protected from the effects of rising prices.

The large-scale capitalists were in favour of low-pay legislation because it gave them protection against the competition of low-priced goods produced by the “*sweaters*” and they and the government both had a long-term interest, industrial and military, in preventing the creation of masses of underfed and physically led sub-standard workers.

For the employers as a whole and for the government the paramount interest has always been the necessity of making a profit and keeping the profit-system functioning as smoothly as possible. This means that their overriding interest has always been, not in pushing wages up but in preventing them from rising to the point that profit is endangered.

So the cheers by the Tories that wages are now increasing faster than inflation is largely bogus. The last thing politicians want is for wages to rise and cut into the profits of the capitalist class.

Already the Bank of England and capitalism's economists have warned against wage increases. If workers are successful in getting higher wage and salary increases in the near-future it will not be long before they will be lectured to for not being as productive as workers in countries like Germany and the US and for causing “*wage inflation*”. Workers will also be told that if wages increase at a rate unacceptable to the Bank of England it will raise interest rates (DAILY TELEGRAPH April 17th 2014). A similar threat was made against the working class by Gordon Brown when he was Chancellor when workers were successfully increasing wages in the face of bitter employer retrenchment.

Of course, workers have no interest in whether interest rates are high or low but the attack of workers for struggling for higher wages shows the class nature of monetary policy pursued by the Bank of England and the why economists in the City are quick off the mark to tell workers that higher wages and salaries will have to come with higher productivity.

The government's retail price index to which the trade unions turn to set their bargaining for higher wages should be set in the real world of capitalism, the world of profit seeking exploitation. In a report of the cost of living in 2012 the TUC said that it was tracking the living standards of workers against the consumer price index (CPI) which showed that the poorest 10 percent of households were experiencing a higher inflation against income because they spent more on energy and food. The TUC report said:

The living standards index shows that wages have been falling in real terms since May 2010. People will therefore need at least two years of real wage growth – fuelled by falling inflation and decent pay rises – to get back to the level on income they enjoyed in 2010... (Cost of Living is rising faster for the poorest households
(<http://www.tuc.org.uk/economic-analysis/labour-market/labour-market-and-economic-reports/cost-living>)

The TUC is not making a case for workers to struggle for higher wages but for governments to increase the minimum wage or replace it altogether with the “*living wage*”. Rather than being a useful tool in the class struggle the TUC’s living standards tracker is an instrument of social reform to inform Labour Party policy making.

From a working class perspective, the cost of living index is not the real issue facing the working class nor is it the rate at which the minimum wage is set. Workers need to use trade union organisation as far as it can be used, to push up wages and salaries irrespective of the inflation rate, productivity, the movement of interest rates and the erroneous claims made for “*wage inflation*” by the employers’ economists.

And from the socialist perspective the economic class struggle is a struggle which takes place on an uneven playing field and has been going on far too long. The employers not only enjoy the support of politicians, like Ed Miliband, David Cameron and Nick Clegg, in the class struggle but they also own the means of production and distribution which is protected by the machinery of government, including the armed forces. So the class struggle has to be a conscious and political struggle to end wages and prices as well as the cost of living index. In short, it means the establishment of socialism.

[Back to top](#)

WHAT DOES POLITICAL SATIRE ACHIEVE?

Spitting Image Revisited

30 years ago on a late Sunday evening, Spitting Image came to the television screen. To mark the occasion an exhibition of some of the puppets used in the series are on display at the Cartoonist Museum in London. However, the exhibition raises a very important political question: what does satire actually achieve and who does it serve? Very little if the current behaviour of politicians is to be judged by.

Politicians lanced the satirical boil a long time ago. Once politicians say they no longer mind being ridiculed and join in the laughter, satire loses all its force and becomes “*Mock the Week*” or some other childish quiz show regularly pumped out by independent television companies.

No more so than the quiz show, HAVE I GOT NEWS FOR YOU. Rogue politicians regularly make guest appearances to be belittled by the other panellists, but these guests, rather than hold their heads in shame, will just laugh-off the barbed comments, like water off a duck’s back, and join in the fun. What can a satirist do when the person they are satirising just thinks it is all a joke and carries on burying their greedy snouts deeper into the trough of monetary swill? These politicians and businessmen just do not care. After all, it was the mathematician and satirist, Tom Lehrer, who once famously said that Satire died when Henry Kissinger received the Nobel Peace Prize with a straight face.

From Bread and Circus to a National Treasure

The Roman poet Juvenal was one of the earliest political satirists and made a well-known comment in SATIRE X about the plebeians being bought off by the Roman ruling class with *Bread and Circus* (*panem et circenses*). He despised the corrupt and immoral society in which he found himself surrounded by and yearned for a golden age of Roman citizens steeped in civic duty and responsibility.

Dean Jonathan Swift advanced political satire in his novel; GULLIVER'S TRAVELS (1726) with his attack on the politics of his day. He sketched out a misanthropic utopia with its portrayal of degraded and violent human beings called “*yahoos*” who were only fit to be enslaved or killed. Ironically Swift had shares in the slave trade supplying the Spaniards. Swift conceived himself as a moral and crusading social reactionary against the Enlightenment values of progress, reason and science although his political enemies had the last laugh when they turned his novel into a harmless children’s book.

Whether or not satirists hit their target is a matter of debate, but their own politics usually remains a mystery; an iceberg politics where most of what they believe in remains hidden below the surface of political discourse. We often know what political satirists are against but not what they are for. John Dryden once remarked that “*the true end of satire is the amendment of vices by correction*” (ABSOLOM AND ACHITOPHEL) but what is this “*correction*” and how successful is it in amending “*vice*”? And is “*vice*” the problem in the first place?

PRIVATE EYE admonishes the corrupt, self-serving interests of contemporary politicians, financiers and senior town hall functionaries but for what purpose? For fifty odd years PRIVATE EYE has homed-in on political and commercial corruption and fraud but nothing has ever changed. It seems that their “*correction*” to the corruption they see all around them is to re-invent a fantasy world of philanthropic “*do-gooders*” in public and business life rather than to change society in a revolutionary way. The low standing of modern politics and business, the magazine believes, is the consequence of flawed individuals not the system itself.

The “*correction*” favoured by the magazine was recently aired in the documentary, AGE OF THE DO-GOODERS (first broadcast on BBC2 December 2010), written and introduced by the editor of PRIVATE EYE, Ian Hislop. Hislop contrasted the highly regarded reputation of Victorian Reformers like Fry, Barnardo and Wilberforce with contemporary City greed, Westminster fraud and a “*broken society*” of social alienation, discomfort and despair. These 19th century “*paragons of virtue*”, he thought, could become the role models for contemporary capitalism rather than the venal and unscrupulous public figures routinely trashed in his magazine.

Of course, it is just wishful thinking. Nothing will change and the world Hislop and his satirists inveigh against will just carry on regardless. And Hislop offers a very selective and narrow vision of 19th century British history. Corruption and fraud were “*vices*” indulged in by the 19th century ruling class as enthusiastically as their 21st century counterparts. And is there anything more damning to the modern satirist’s own reputation than for Hislop being praised by the DAILY TELEGRAPH (proprietors, the sinister Barclay Brothers) as a “*national treasure*” and having his magazine singled out for lush praise by Nick Clegg when PRIVATE EYE was included in Clegg’s list of “*what is great about Britain*” speech to the SDP membership at their Spring conference earlier this year?

In CAPITAL Marx often commented on the fraud, bribery, speculation and corruption of the period. And his observations have been supported by historians such as Rebecca Stern in her readable HOME ECONOMICS: DOMESTIC FRAUD IN BRITAIN (2008) And what of the “*do-gooders*” themselves; Wilberforce was violently opposed to trade unions and supported the Combination Acts while the motives of the Prime Minister, Lord Gladstone for walking the London streets at night to “*save*” prostitutes hid darker secrets to be only revealed later in his diaries when they were published after his death in 1898. Yet the problem, as Marx went on to show, is not “*vice*” but capitalism; not moral behaviour but commodity production and exchange for profit; the real material conditions of existence.

And why re-invent the social “*do-gooder*”. Do we really want to have “*role models*” to tell workers how to live and what to think? What arrogant paternalism! Workers have shown they are capable of establishing trade unions and socialist political parties without the need of “*do-gooders*”. Equally, workers are capable of replacing capitalism with socialism. And we already face, on a daily basis, a plague of political “*do-gooders*” telling us how to behave but hypocritically leading contradictory lives. Victorian values for the working class and a life of sybaritism for the rich; austerity for the wealth producers and a life of luxury and privilege for those living off the unearned income of rent, interest and profit.

And what of capitalism? Capitalism would not alter a jot even if politicians became pious monks and nuns leading pure and blameless lives of moral probity. Class exploitation, war, poverty and social alienation would still persist. A good employer exploits the working class just as ruthlessly as a bad employer otherwise they would not stay in business long. A sincere politician is forced to support the interests of a minority class just as expeditiously as an insincere political rogue because that is the nature of capitalist politics. And governments go to war with majority agreement among cabinet members whether or not an individual Minister may have held anti-war views earlier in their political careers.

The problem with political satirists is that they do not understand the society in which they satirise. Their comical

barbs are usually aimed at its superficiality. Capitalism corrupts or gives opportunity for corrupt practices because of the competitive dog-eat-dog world of politics and business. Yet the political satirist wants the impossible; capitalism without the effects of capitalism. And it is this political ignorance which explains why satire finds a comfortable niche in a particular conservative view of the world.

After all, Juvanel did not object to slave society in Imperial Rome any more than Dean Swift objected to the loss of the commons by the peasants, to slavery (particularly the Irish to the plantations in the West Indies) and to piracy passing off for commerce and trade in his own day. PRIVATE EYE is equally comfortable with capitalism, the market, buying and selling of commodities, money, trade and a class divided society, just not its effects and consequences in politics and business.

As the interviewer recently asked the comedian Stewart Lees “*Do you think satire is a loser’s game? Is it the cry of the loser?*” (BBC 2, 15th. March 2014).

Well, yes it is.

ABOLISH CAPITALISM

Capitalist politics says little or nothing about the ownership of the means of production and the political power ownership gives the capitalist. Nor are issues of class, class relations, class interest and class struggle considered. This allows the reformists to believe capitalism as a social system can be changed for the better while retaining commodity production and exchange for profit. It can’t.

All political parties promise the voters a fairer society where each voter becomes more and more equal but it is empty rhetoric. You cannot create a fair and equitable citizenship in a class divided society where real economic and political power is weighted strongly in favour of those who own the means of production. A class divided society cannot be a collection of equal citizens with rights and responsibilities. Such a society is a political fiction.

What the working class can do is to take conscious and political action to create a society where production takes place just to meet human need, where labour is freely given and free men and women do take part in the affairs of society as equals. And that society is Socialism.

[Back to top](#)

What we said and When

THE SOCIALIST PARTY OF GREAT BRITAIN

WHAT WE SAID AND WHEN & WHAT THEY SAID & WHEN

LECTURE 7, 7th February 1987

WHY CAPITALISM WILL NOT COLLAPSE

What We Said

It is not necessary to deal with the pessimistic utterances of public men at every crisis ; it is sufficient to say that each period of trade depression produces the prophets of catastrophe. We may add, however, that those politicians and businessmen who foretell collapse now, are no more to be relied upon than the others who foretold collapse in past crises. They do not understand the workings of the system that they defend. Pamphlet, WHY CAPITALISM WILL NOT COLLAPSE, February 1932

The fact is that under capitalism, no body can safely predict the future course of events ; how long a depression will

last ; how much the market will expand ; and how large a future unemployment will be in the world as a whole and in different countries SOCIALIST STANDARD, November, 1979

Capitalism goes its own way, in accordance with its structure and its own economic laws, with its inevitable cycle of expansion and contraction. Capitalists expand investment and production when it is profitable. Neither National Plans nor free market forces alter the essential conditions under which capitalism operates. SOCIALIST STANDARD, October 1983

What They Said

It's (i.e capitalism's) downfall, root and branch, will be positively assured by a continuation of the war, for say, another year. That downfall will then be like an act of nature, and not dependent on the mental and moral preperation of the people of the world for a new form of society which must perforce, be completely social. American writer – Herman Cahn, " THE COLLAPSE OF CAPITALISM", published about 1917.

The most important fact in modern history is the breakdown of capitalism, ...there is the greatest possibility that the social revolution may take place in the immediate future William Paul, Prominent Communist Party member, LABOUR MONTHLY, 15th February 1922

It is no longer a "dying capitalism, but one already in the process of mortification ". E. Varga in a Communist party book " THE DECLINE OF CAPITALISM, 1928

I am perfectly satisfied that the great capitalist system that has endured for 150 years in its modern form is now at the stage of final collapse, and not all the devices of the statesmen, not all the three-party conferences, not all the collaboration between the leaders can prevent the system from coming down with one unholy crash. They may postpone the collapse for a month, two months, three months, six months, but collapse is sure and certain James Maxton, I.L.P. Member of Parliament, Speech at Cowcaddens, 21st August, 1931.

WHAT IS PROGRESSIVE POLITICS?

What is “*progressive politics*” Does it has any similarities to the Progressive Rock of the 1970’s (Yes, ELP and Genesis and so on); a music style that was overblown, pretentious, and largely unlistenable unless you happened to be stoned; an indulgence when you were sixteen years old but something of an embarrassment to be associated with when you have outgrown your trench coat and faded loons. Well, actually it does. “*Progressive politics*” is the politics of the wonks; the politically naive graduates, many of whom are decorated with First’s in PPE from Oxbridge, who populate the think tanks encircling Westminster before being parachuted into safe constituencies to become a political adviser, Member of Parliament and then on to a Cabinet minister.

Policy institutes, like the pompous sounding Demos, Civitas and Politeia (in 2014 there were nearly 140 of these think tanks compared to the solitary Fabian Society, established over century earlier in 1884). These “*think tanks*” endlessly pump out political and economic ideas completely oblivious to the social reality of capitalism and the deep-rooted and intractable social problems it creates to which their policy proposals are impervious. The pronouncements of the think tanks (generating hundreds of sound bites each year) are then uncritically reproduced in the media to create transitory “*political noise*” by lazy journalists and forgotten about the following day.

The content of the policy pamphlets are poorly argued and change nothing, just like the Fabian society’s own avalanche of pamphlets from its inception to the present. The idiotic belief held by all these policy think tanks is that the right idea can be turned into the right policy statement to be then enacted by enlightened legislators to resolve entrenched social problems like alienation, poverty, unemployment, war and conflict. The track record is one of abject failure. The ideas fail at the first hurdle when they come up against the intractable social problems caused by commodity production and exchange for profit. A highly idealistic view of society by immature thinkers who pass from university to policy institutes into main stream politics where the day to day reality of administering capitalism eats away at their misplaced idealism to the point where their snouts become buried deeper and deeper into the monetary swill of capitalist politics, political patronage and corporate largesse.

MARX, MINSKY AND THE MOMENT OF AN ECONOMIC CRISIS

Mainstream economics holds as an article of faith that capitalism is harmonious and self-adjusting. Until the economic crisis of 2008, most economists believed capitalism was inherently stable. They rejected that capitalism passed through “*certain periodical cycles*” which were “...*a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation*” (Marx, Wages, Price and profit, SELECTED WORKS, p. 440). Crises, for Marx, were neither an accident nor the fault of individuals, but arose from the economic laws of capitalism, particularly the relationship between the commodity and money.

One of the leading theorists of a “*perfect and harmonious capitalism*” was the economist and Nobel Prize Winner, Edward C. Prescott. He was one of several economists who proposed an economics of “*rational expectations*” which assumed that individuals took all available information into account in forming future expectations. One piece of available information they were meant to take into account was the absence of any future economic crisis! So confident was Prescott in the soundness of his theory that in 1999 he announced that capitalism would double the standard of living every 40 years that Marx’s critique of capitalism was wrong and socialism was unnecessary. He wrote:

The Marxian view is that capitalistic economies are inherently unstable and that excessive accumulation of capital will lead to increasingly severe economic crises. Growth theory, which has proved to be empirically successful, says this is not true. The capitalistic economy is stable, and absent some change in technology or the rules of the economic game, the economy converges to a constant growth path with the standard of living doubling every 40 years. (SOME OBSERVATIONS ON THE GREAT DEPRESSION, Federal Reserve Bank of Minneapolis Quarterly Review Winter 1999)

This misguided view of capitalism enthused politicians like Gordon Brown, to praise contemporary economics with its optimistic “*theory of growth*” grounded in “*empirical observation*”. So, taken in was Brown by rational expectations, he repeatedly announced, when Chancellor of the Exchequer, that there would be no more “*boom and bust*”. Brown, like Prescott thought we were really living in the best of all possible worlds.

About 15 years and two economic crises later, Marx’s view that that capitalism is indeed inherently unstable agrees with reality rather than the Panglossian vision of Prescott and his fellow economists. It turned out that rational expectations was wrong and the associated “*growth theory*” was not grounded in the real world.

However, even though reality pointed to the trade cycle being a fact of life under capitalism, Marx was not praised for his insight into why the trade cycle exists. Instead economists believed that crises were all the fault of the finance sector of the economy and its greedy bankers (the trite “*who to blame and who to punish*” DAILY MAIL school of economics).

Economists could not except that there were problems within commodity production and exchange for profit. No, the problem, they thought, was finance and irrational greed, and they found a champion for this view in the writings of the economist, Professor Hyman Minsky.

The Minsky moment

The Minsky moment is all the rage with economists. It is the new fashion to replace the discredited theories which saw capitalism as perfect and immune to economic crises. The Minsky moment was recently explored by the TUC’s former senior economist, Duncan Weldon, on a radio programme, WHY MINSKY MATTERS (BBC 4, 4th March 2014).

The "*Minsky moment*", was a term created by Minsky's many economic followers as the moment when there is a seemingly inexplicable financial crash. It is like the moment that the cartoon character Wily E Coyote runs off a cliff. Wily keeps on running for a while, still believing he is on solid ground. But then there's a moment of sudden realisation - the Minsky moment - when he looks down and sees nothing but thin air. He then plummets to the ground, and that's the crisis and crash of 2008.

In the programme one of Minsky's supporters, the Keynesian, Professor Steve Keen said:

He was more driven by seeing the conventional theories being a delusional thing, a Disneyworld view of the real world. He was much more for getting your hands dirty in the real world. I think Minsky gave us the first sensible overview of capitalism ever, which had warts and all what capitalism is about.

Did he? What about Marx who was not mentioned once in the programme?

Instead the free market Mises Institute got a couple of minutes to give a contra view to Minsky but no one was asked to give a Marxian account of the crisis to meet the BBC's "*balanced objectivity*". Given Weldon's past; from admirer of Oswald Mosely to Research Officer for the Labour Party, then on to the TUC to finish in a comfortable niche at the BBC, it is hardly surprising.

Marx and Minsky

Minsky's famous slogan was "*stability is destabilising*" and the fact that he attributed "*crises*" to capitalism has led some to try and integrate Minsky with Marx with as much success as integrating Gothic architecture with Classical architecture. Eclecticism is always inconsistent, messy and incoherent.

As the economist, Professor G. Carchedi noted recently:

First, both for Marx and for Minsky the capitalist economy is fundamentally unstable and develops through time (whereas neoclassical theorems as well as many Marxists (sic) focus on equilibrium and abstract from time). But here the similarities end. Minsky (following Keynes) sees the economy "from the board room of a Wall Street investment bank", Marx from the perspective of labour (BEHIND AND BEYOND THE CRISIS, G. Carchedi, May 22 2011 <http://www.homolaicus.com/economia/fonti/carchedib.pdf>).

Minsky believed the problem of crises emanated from the financial sector of capitalism conveniently sidestepping asking awkward questions about commodity of production and exchange for profit. For Marx, the economy's instability was an objective feature, it was the result of the contradictions in the real economy towards crises, first in that sector and then in the financial ones.

Carchedi pointed out the political reason why Minsky looks to the financial sector rather than capitalist production generally:

Minsky erases Marx's classes, class interests, and class struggle. Thus, for Minsky, government spending (deficit) can offset private spending and even increase profits. For Marx, value transfers from capital to labour decrease profitability thus amplifying the cycle while transfers from labour to capital increase profitability but augment the difficulties of realization. Neither redistribution... not Keynesian policies... can push the economy out of depression and crisis. Marx's and Minsky's are not complementary but radically alternative theories (loc cit).

If the "*Minsky moment*" was a cartoon caricature of the economy focussing on the effect of a crises rather than its cause, then it is back to Marx and the problems associated with commodity production and change for profit where the forces of production come into conflict with the relations of production, expressing themselves in a crisis.

That Marx moment

Marx was quite clear that: “*production, distribution, exchange and consumption are identical, but that they all form members of a totality*” (GRUNDRISSE).

And he went on to remark:

Production predominates not only over itself...but over the other moments as well...A definite production thus determines a definite consumption, distribution and exchange as well as definite relations between these different moments. Admittedly, however, - production is itself determined by the other moments...Mutual interaction takes place between the different moments (loc cit).

So, what is a “*Marx Moment?*” when applied to the trade cycle? By way of an analogy, we can consider a train full of commodities hurtling towards a train station platform full of money. The train has to go pass along a bridge over a deep ravine to get to the station where all the money awaits those wanting to sell. The train has made the journey before and at the moment is making the trip several times a day in order to get the commodities to the station as fast as possible. Yet on one journey the bridge has inexplicably disappeared. The train pulls to a halt at the edge of the ravine and the commodities cannot get to the station and embrace the waiting money on the other side; that is a “*Marx moment*”. Marx put it this way:

Crisis results from the impossibility to sell. The difficulty of transforming the commodity...into its opposite, money,... lies in the fact that money is not the particular product of individual labour, and that the person who effected a sale,..., is not compelled to buy again at once, to transform the money into a particular product of individual labour... The difficulty of converting the commodity into money, or selling it, only arises from the fact that the commodity must be turned into money but the money need not be immediately turned into a commodity, and therefore sale and purchase can be separated...Crisis is nothing but the forcible assertion of the unity of phases of the production process which have become independent of each other (THEORIES OF SURPLUS VALUE, Part II,p.506).

Unlike the Keynesians who believe the cyclical behaviour of the economy can be controlled by appropriate government policies and the supporters of Minsky who believe financial regulation should do the trick, Marx believed that economic crises were inevitable in a capitalist economy and the only way to stop crises occurring was for a conscious and politically motivated socialist majority to replace capitalism with Socialism.

THE FALLACY THAT FALLING PRICES MUST BENEFIT THE WORKERS

The economic theory that holds real wages rise when prices fall and then fall when prices rise is not borne out by the facts. The determining factor is not the movement of prices up or down but the condition of the labour market and the relative strength or weaknesses of capital and labour in the class struggle. The time when real wages are most likely to rise is not when prices are falling, but when prices are rising in the years of industrial expansion leading up to a boom.

Professor A. L. Bowley studied the movement of wages and prices in the years 1852-1904 (see AN INTRODUCTION TO THE STUDY OF PRICES by W. Layton, Macmillan 1920, p. 185). In those 52 years real wages increased in 42 years and were stationary for 10 years. The majority of years of rising real wages (24 out of 42) were not when prices were falling but when they were rising. The years in which real wages rose while prices were falling numbered 13. In 5 years real wages rose while prices were stationary. As different groups of workers formed efficient trade unions in the 19th century (engineers, factory workers, railwaymen, miners, dockers, post office workers etc.) they were able to obtain very substantial increases of real wages. They were able to do this because; by controlling the supply of workers they altered the conditions of the labour market to the advantage of workers.

One word of explanation. Marx made a distinction between the paper values of wages (nominal wages) and wages as measured against the amount of necessities that can be bought (real wages). He wrote that: “*The sum of money which the labourer receives for his daily or weekly labour, forms the amount of his nominal wages, or of his wages estimated in value*” (CAPITAL, VOLUME 1 Kerr ed, p. 508). Real wages, on the other hand, are “*the sum of necessities of life into which the wages can be converted*” (p.508). Marx introduced this distinction between nominal and real wages in the situation where there is inflation and the nominal wage can go up but the real wage goes down:

“thus, the money price of labour, nominal wages, do not coincide with real wages, that is, with the sum of commodities which is actually given in exchange for wages” (p. 508).

[Back to top](#)

Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

[Back to top](#)

email: enquiries@socialiststudies.org.uk | www.socialiststudies.org.uk